FDI for FM Radio Service

2086. SHRI MANOJ BHATTACHARYA: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether as per the existing practice, Foreign Direct Investment (FDI) is permitted in F.M. radio service;

(b) if so, the details thereof?

(c) whether Government is considering any proposal to increase FDI Limits in FM Radio;

(d) if so, details, thereof;

(e) if answer to part (a) be in negative, whether any instance has come to Government's notice regarding violation of FDI provision by any company in regard to FM radio;

(f) whether any action has been taken against any errant company;

(g) if so, the details thereof; and

(h) if not, the reasons therefor?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI S. JAIPALREDDY)(a)No, Sir.

(b) Does not arise

(c) and (d) The recommnedations of TRAI on Phase II of private FM broadcasting which, inter-alia, contains recommendations on FDI, are under consideration of the Government and no final decision has yet been taken.

(e) to (h) A complaint was received against. one of the FM radio licensee namely, M/s Music Broadcast Private Limited (MBPL) that the company had been indirectly promoted by a Foreign company to avoid direct entry restrictions. The issue of violation of FDI norms by M/s MBPL is separately under examination.

The Government had issued a show cause notice for violation of license conditions by M/s MBPL with reference to transfer, assisgnment and sub-contract of the license to a thired party. M/s MBPL have obtained an

interim order from Mumbai High Court, restraining Government from terminating its licenses or invoking the bank guarantees.

Broadcasting and Distribution of TV Channels

2087. SHRI T.T.V. DHINAKARAN: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether it is a fact that the Telecom Regulatory Authority of India (TRAI) has submitted its recommendations on the matters relating to broadcasting and distribution of TV channels;

(b) if so, the salient features thereof; and

(c) the action taken by Governnment thereon?

THE MINISTER OF INFORMATION AND BROADCASTING (SHRI S. JAIPAL REDDY): (a) Yes, Sir.

(b) TRAI's recommendations dated 1.10.2004, on the issues relating to broadcasting and distribution of TV channels, *inter alia* refer to a number of issues concerning—

(i) Directions for Regulatory intervention;

(ii) Consumer choice;

(iii) Pricing;

(iv) Interconnection Agreements and Revenue sharing;

(v) Promotion of competition in the Distribution of TV channels;

(vi) Rationalization of Licence fee and Taxes;

(vii)Advertisement;

(viii) Regulatory Enforcement;

(ix) Quality of Service.

The details of the TRAI's recommendations are available on TRAI's website (http://ww.trai.gov.in)

(c) The recommendations of TRAI are currently under examination.